

Department of Veterans Affairs



FY 2015

President's Budget Request

Updated March 5, 2014



VA 2015 Budget Request Supports the President's Vision

- **The Nation's commitment to Veterans and their families remains strong**
 - The 2015 budget request for Veterans' benefits and services is a very strong request in a tight fiscal environment
 - 2015 is the sixth year in a row that the President has requested a significant funding increase for VA to meet the Nation's obligations to our Veterans
 - The 2015 Budget request reflects a 35.2% increase in discretionary budget since 2009 with a 3.0% increase over 2014

2009	2010	2011	2012	2013	2014	2015
\$50.6 B	\$55.9 B	\$59.1 B	\$61.3 B	\$64.2 B	\$66.3 B	\$68.4 B

- It is also an increase above the 2015 Advance Appropriation for Medical Care, which demonstrates a fulfillment of the promise to evaluate requirements every year and request funding adjustments

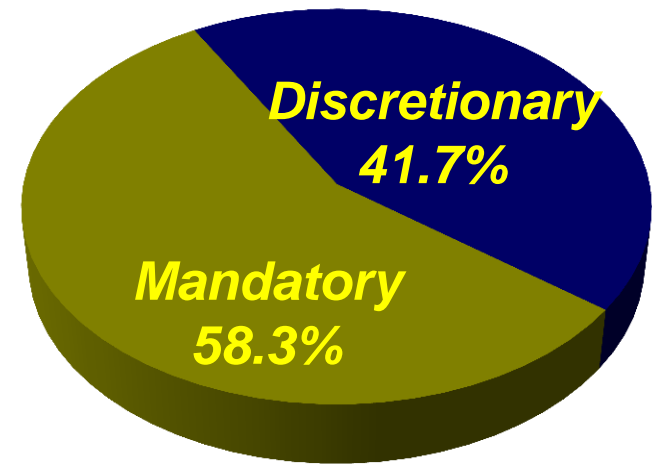
The President's 2015 budget request provides the necessary resources to allow us to serve the growing number of Veterans, who have selflessly served our Nation



Highlights - 2015 Budget Request

2015

- The budget request for 2015 is:
 - Total budget \$163.9 billion
 - Mandatory \$ 95.6 billion
 - Discretionary (with collections) \$ 68.4 billion
- Discretionary budget increase over 2014 enacted is \$2.0 billion (3.0%)
- Medical Care request is \$368 million above the enacted Advance Appropriations level for 2015



2016

- Request for Medical Care Advance Appropriations of \$58.7 billion is \$2.7 billion (4.7%) above the 2015 budget request



What We Are Buying in 2015

The VA 2015 budget request provides Veterans high quality benefits and services

- **Veterans Health Administration (VHA)**
 - 9.3 million Veterans enrolled in VA healthcare
 - Over 6.7 million unique patients treated
 - 97 million outpatient visits
- **Veterans Benefits Administration (VBA)**
 - About 5.1 million Veterans and Survivors are expected to receive disability compensation and/or pension benefits
 - Over 1.2 million Service members, Veterans, survivors, or beneficiaries will receive education or vocational rehabilitation benefits and services
 - 25,000 Service members will be provided Vocational Rehabilitation & Employment services (VR&E) at Integrated Disability Evaluation System (IDES) locations
 - 1.5 million disability and pension claims will process in 2015, 17% over 2014
- **National Cemetery Administration (NCA)**
 - 128,100 Veterans and eligible family members will be interred in VA national cemeteries



VA's 2015 Budget Request

- **VA's 2015 budget supports achievement of our Agency's Priority Goals (APGs)**
- **Top priorities:**
 - Expand Access to Benefits and Services
 - Eliminate the disability Claims Backlog in 2015
 - End Veteran Homelessness in 2015
- **Fiscal responsibility:**
 - Effectiveness
 - Efficiency
 - Accountability

Information Technology is an enabler of all VA programs



Priorities

Expanding Access to Benefits and Services

- **Technology:**

- Telehealth: \$567 million to deliver medical care via telehealth which helps monitor chronic health care conditions, especially in remote locations
- VistA Evolution: \$269 million to enhance our Electronic Healthcare Record (EHR)
- Veterans Benefits Management System (VBMS): \$173.3 million to support paperless claims
- Veterans Relationship Management (VRM): \$100 million to further enhance Veterans' access
- Cyber Security: \$156 million to protect Veteran's information

- **Programs:**

- Women-specific medical care -- \$403 million
- Mental health care -- \$7.2 billion
- Non-VA fee care, including rural areas -- \$6.7 billion

- **Infrastructure:**

- Activation of new and enhanced health care facilities -- \$534 million to cover identified requirements

Technology, Programs, Infrastructure



Priorities

Eliminating the Claims Backlog

Adapting new realities, leveraging new technologies, and better serving a changing population with renewed commitment

- **People** – Strengthen the expertise of our workforce and increase proficiency
- **Processes** – Conduct rapid development and testing of process changes, automate processing tools, and support innovative workplace incentive programs
- **Technology** – Implementing a digital and electronic operating environment is a continued priority in this year's budget – VBA and IT investment includes:
 - \$173.3 million in the Veterans Benefits Management System (includes IT \$137 million and VBA \$36.3 million investments)
 - \$138.7 million in Veteran Claims Intake Program (VCIP) for the paper document conversion into eFolders – our scanning effort

People, Processes, Technology



Priorities

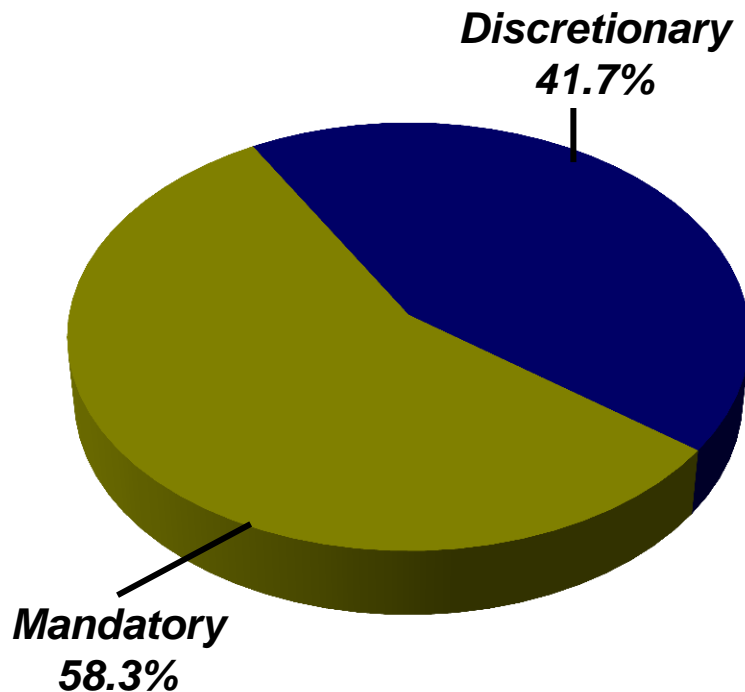
Ending Veteran Homelessness

- **VA is investing \$1.6 billion to end Veteran homelessness in 2015**
 - An increase of \$248 million, or 18% over 2014
- **This funding supports specific programs to prevent and reduce homelessness, including:**
 - \$500 million for Supportive Services for Veteran Families (SSVF) - an increase of 67% from 2014
 - \$374 million for Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) for case management and supportive services - an increase of 14% from 2014
 - \$253 million for Grant and Per Diem program, including program liaisons - an increase of 1% from 2014
 - \$514 million for other homeless Veterans programs

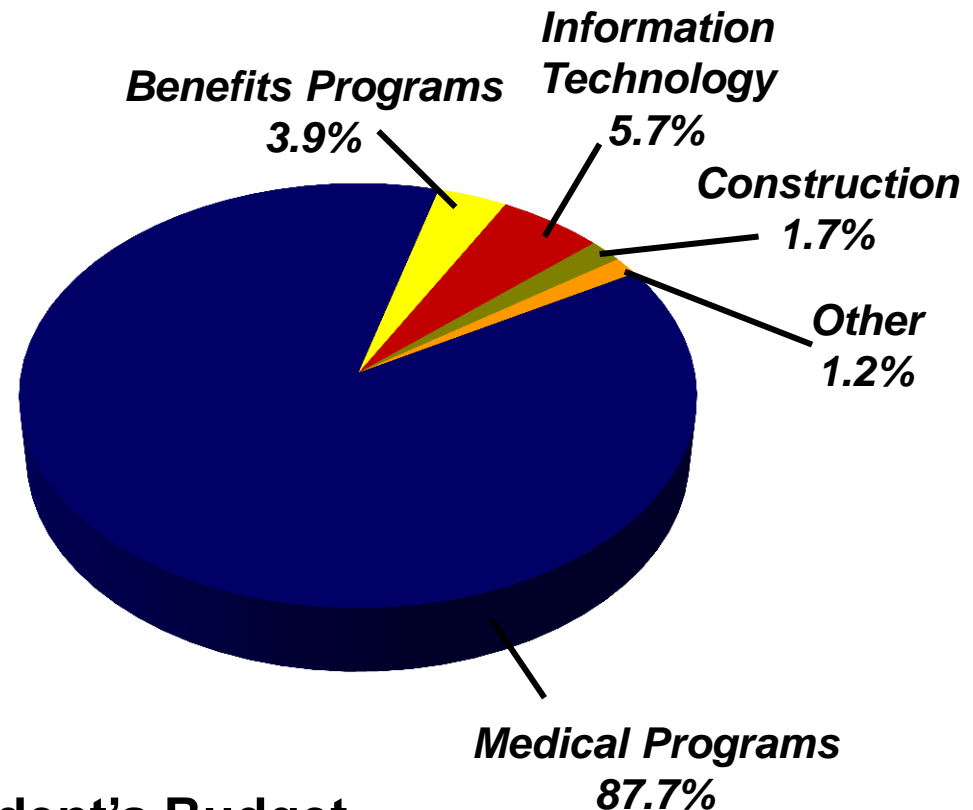


2015 VA Budget Request

Mandatory & Discretionary Accounts



Discretionary Accounts



**2015 President's Budget
\$163.9 Billion**

(includes collections - \$3.1B)

Mandatory \$95.6 B Discretionary \$68.4 B



2015 Budget Request

(\$ in millions)

	2013 Actuals	2014 Enacted	2015 Request	\$ Change 2014 V. 2015
Medical Services	41,323	43,418	45,383	1,965
Medical Support & Compliance	5,738	5,983	5,880	-103
Medical Facilities (Includes NRM)	5,445	4,957	4,739	-218
Medical Care Appropriations 1/ Collections	52,506 2,903	54,358 2,934	56,002 3,065	1,644 131
Total, Medical Care with Collections	55,409	57,292	59,067	1,775
Medical Research	582	586	589	3
VBA	2,161	2,465	2,494	29
General Administration	338	326	322	-4
BVA	86	88	94	6
NCA	260	249	257	8
Construction-Major	739	342	562	220
Construction - Minor	607	715	495	-220
Grants for State Extended Care Facilities	85	85	80	-5
Grants for Veterans Cemeteries	46	46	45	-1
Information Technology	3,522	3,703	3,903	200
Inspector General	115	121	121	0
Loan Administration Funds	159	160	162	2
DoD Transfers for Joint Accounts	133	158	162	4
Total Discretionary Funding with MCCF	64,242	66,336	68,354	2,018
Total Mandatory Funding	74,770	87,543	95,569	8,026
Total VA with MCCF	139,012	153,879	163,922	10,044

1/ Does not include transfers to the Joint DoD-VA health care accounts.

2015 Discretionary President's Budget is a 3% increase over 2014



Total Full Time Equivalents (FTE)

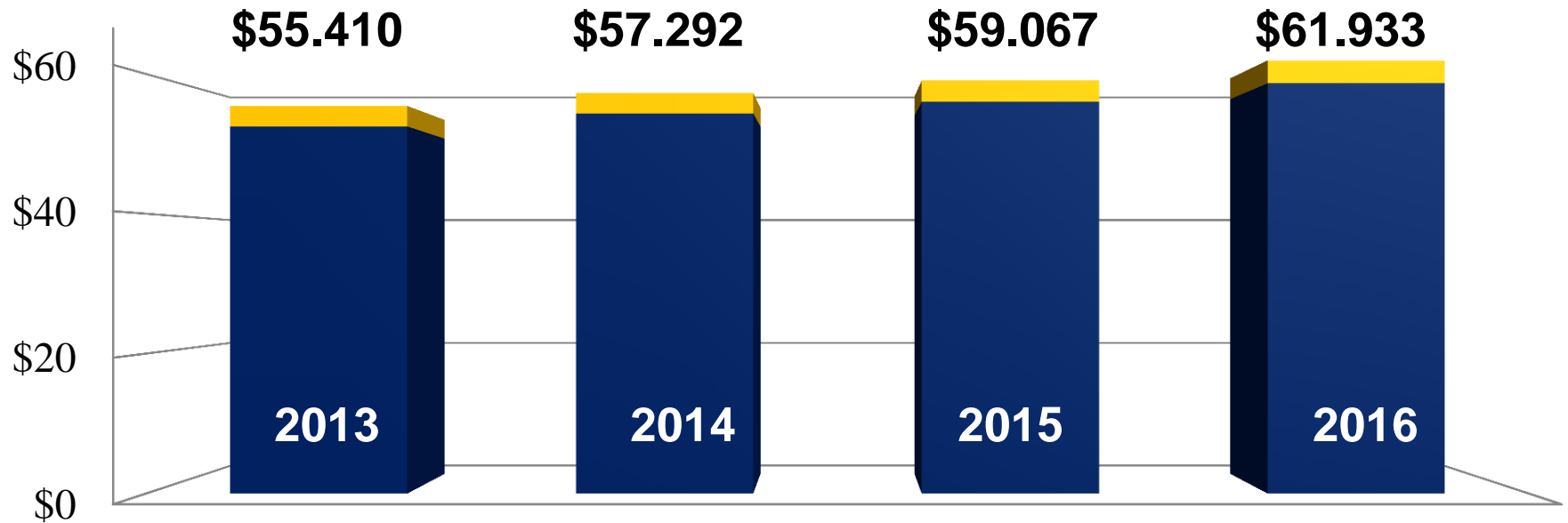
	FY 2013	FY 2014	FY 2015
Medical Services	197,860	202,506	205,645
Medical Support & Compliance	48,610	50,303	49,014
Medical Facilities	23,641	22,818	22,818
Subtotal Medical Care	270,111	275,627	277,477
Medical Research	3,445	3,491	3,491
National Cemetery Administration	1,690	1,719	1,767
Information Technology	7,362	7,459	7,457
Veterans Benefits Administration	21,130	20,851	20,851
General Administration	2,584	2,803	2,841
Board of Veterans' Appeals	533	640	650
Inspector General	633	673	663
Other (Canteen, Supply Fund and Franchise Fund)	5,353	5,902	6,184
Total FTE	312,841	319,165	321,381

Largest increase in staff is in Medical Care Services account



Medical Care Budget Request

(\$ in billions)



	2013	2014	2015	2016
■ Collections	\$2.931	\$2.934	\$3.065	\$3.271
■ Appropriations	\$52.479	\$54.358	\$56.002	\$58.662

Medical Care accounts for 87.7% of the VA Budget



Selected Key Medical Care Programs

(\$ in millions)

	2009 <i>Actual</i>	2013 <i>Actual</i>	2014 <i>Enacted</i>	2015 <i>Estimate</i>	<i>Change</i> 2014-2015	<i>%Change</i> 2014-2015	<i>Change</i> 2009-2015	<i>%Change</i> 2009-2015
Traumatic Brain Injury	\$204	\$227	\$232	\$229	-\$3	-1.3%	\$25	12.3%
Spinal Cord Injury	\$456	\$520	\$541	\$561	\$20	3.7%	\$105	23.0%
Long-Term Care	\$5,183	\$6,503	\$6,811	\$7,046	\$235	3.5%	\$1,863	35.9%
Readjustment Counseling	\$154	\$206	\$221	\$238	\$17	7.7%	\$84	54.5%
Prosthetics	\$1,638	\$2,235	\$2,402	\$2,577	\$175	7.3%	\$939	57.3%
Mental Health	\$4,446	\$6,316	\$6,869	\$7,178	\$309	4.5%	\$2,732	61.4%
Women Veterans ¹	\$180	\$336	\$371	\$403	\$32	8.6%	\$223	123.9%
Telehealth	\$72	\$471	\$544	\$567	\$23	4.2%	\$495	687.5%

^{1/} Gender Specific Care for Women Veterans

Greatest increases since 2009 in Mental Health, Telehealth, and Women-specific care



Medical System Users

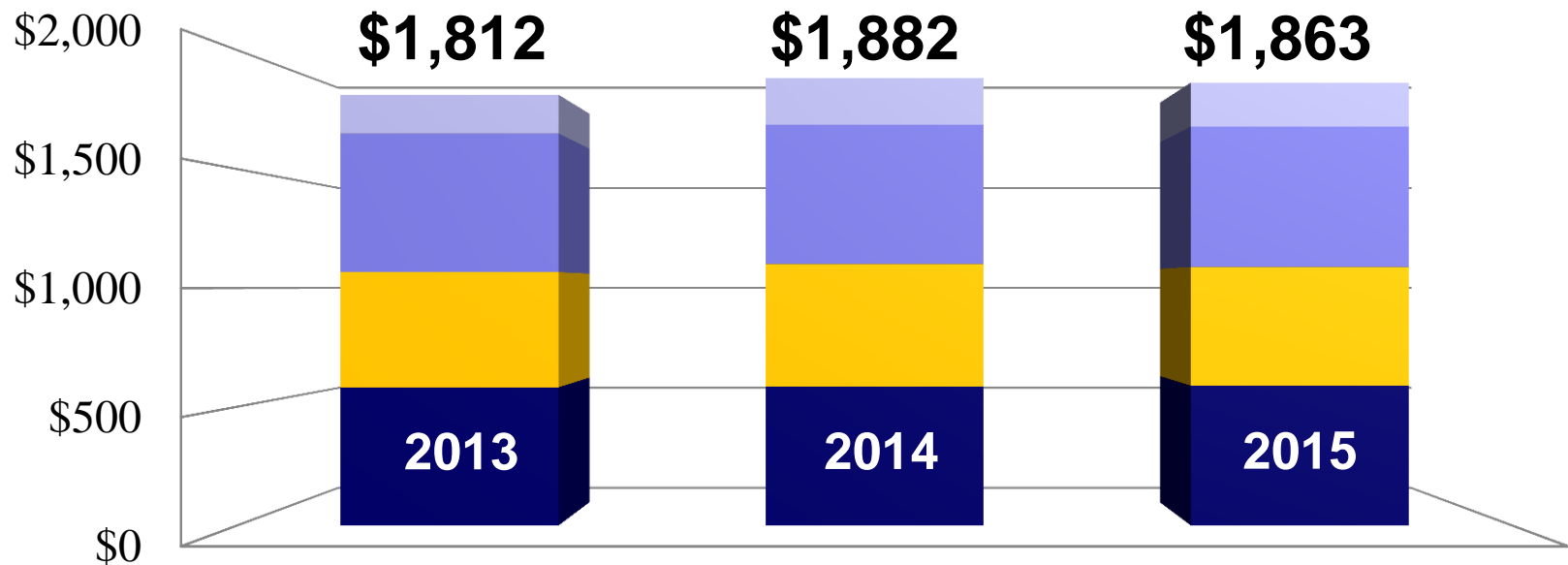
	2013	2014	2015	2016	Change	Change
	<i>Actual</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	2014-2015	2009-2015
Priority 1-6	4,524,505	4,616,822	4,729,341	4,827,386	2.4%	22.0%
Priority 7-8	1,279,385	1,291,220	1,289,199	1,279,950	-0.2%	-4.3%
Subtotal Veterans	5,803,890	5,908,042	6,018,540	6,107,336	1.9%	15.3%
CHAMPVA / Non-Veterans	680,774	708,921	723,393	737,393	2.0%	38.3%
Total Unique Patients	6,484,664	6,616,963	6,741,933	6,844,729	1.9%	17.4%
OEF/OIF/OND (Incl. Above)	616,487	689,974	757,674	823,647	9.8%	127.6%

Overall increase in Unique Patients since 2009 is 17.4%



Medical & Prosthetic Research Budget Resources

(\$ in millions)



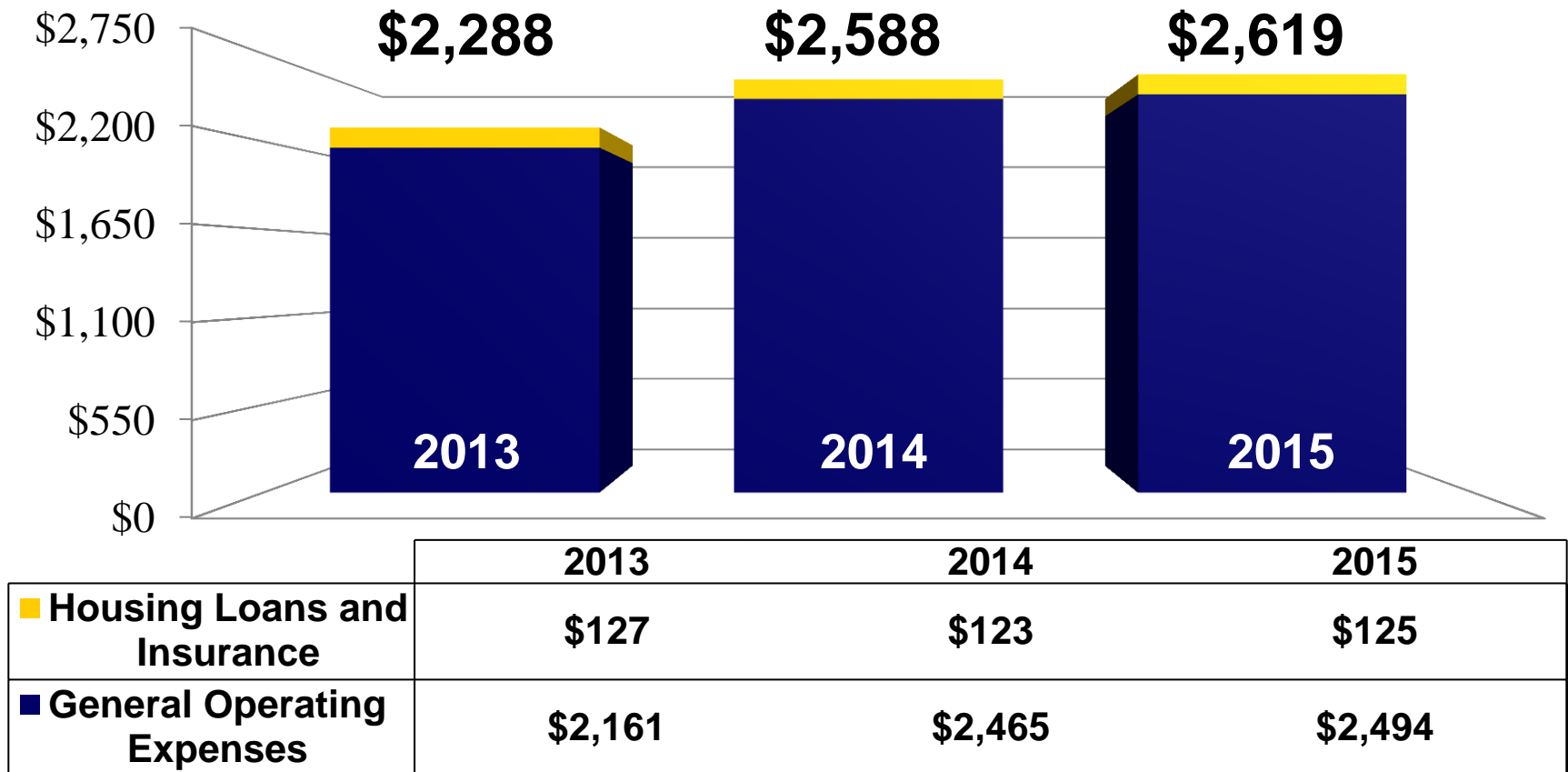
	2013	2014	2015
Other Grants	\$163	\$195	\$185
Medical Care Support	\$582	\$586	\$589
Federal Grants	\$485	\$515	\$500
Appropriation	\$582	\$586	\$589

Since 2009, 13% increase in overall funding level



Veterans Benefits Administration Discretionary Budget Request

(\$ in millions)



In 2015 VA will end the backlog



Veterans Benefits Administration

Mandatory Programs Budget Request

(\$ in millions)

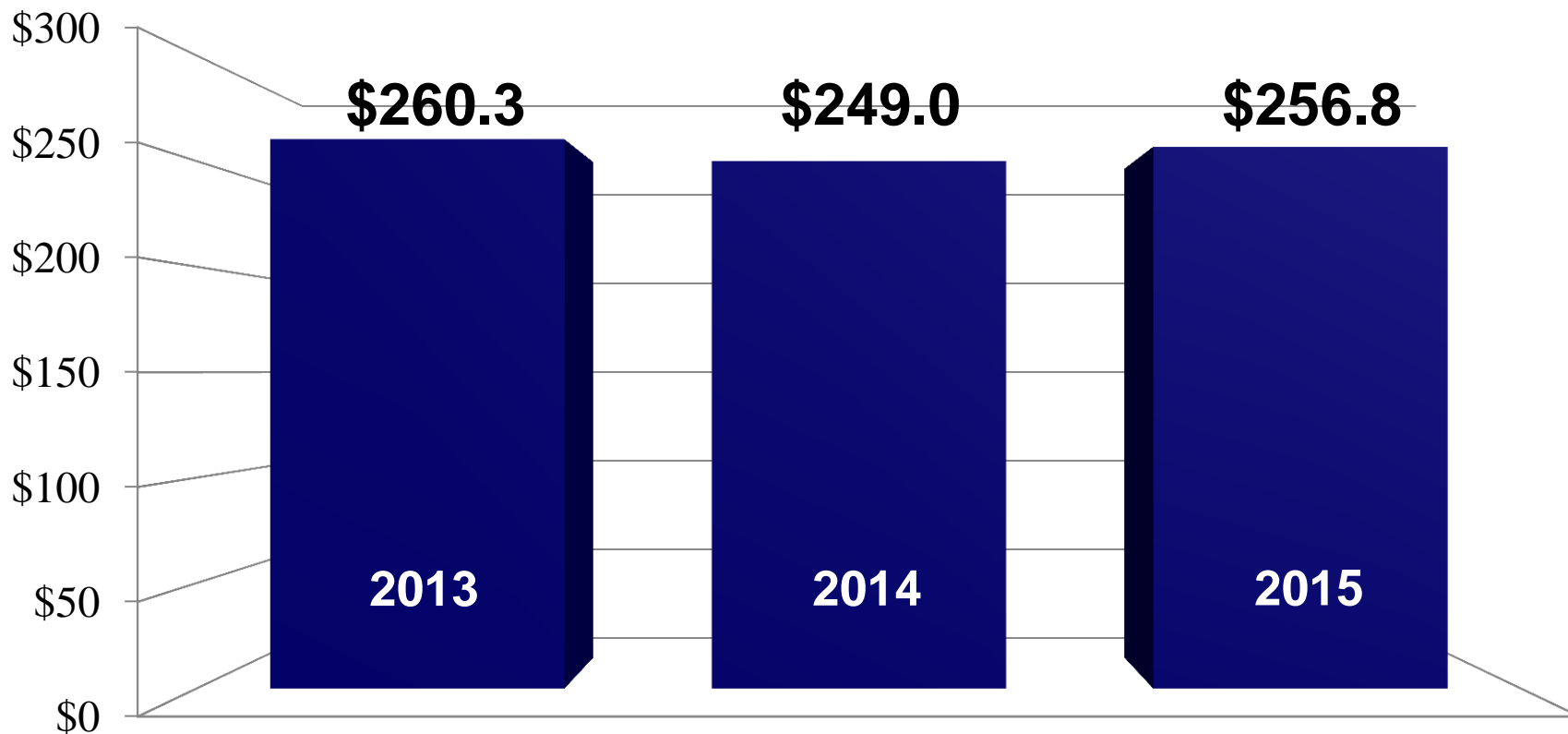
Programs	2013	2014	2015	Change '14 – '15	% Change
Compensation & Pensions	\$61,425	\$71,476	\$78,688	\$7,212	10.1%
Readjustment Benefits	\$11,199	\$13,136	\$14,762	\$1,626	12.4%
Insurance	\$105	\$78	\$63	-\$15	-19.2%
Housing (pending 2015 re-estimate)	\$1,379	\$2,045	\$249	-\$1,796	
Total Appropriation	\$74,108	\$86,735	\$93,762	\$7,027	8.1%
Other Mandatory Budget Authority (BA)	\$633	\$808	\$807	-\$1	-0.1%
Veterans Job Corps (Legislative Proposal)			\$1,000		
Total Mandatory BA	\$74,771	\$87,543	\$95,569	\$8,026	9.2%

**Increase in Mandatory Programs reflects achievements
in increased access**



National Cemetery Administration Budget Request

(\$ in millions)

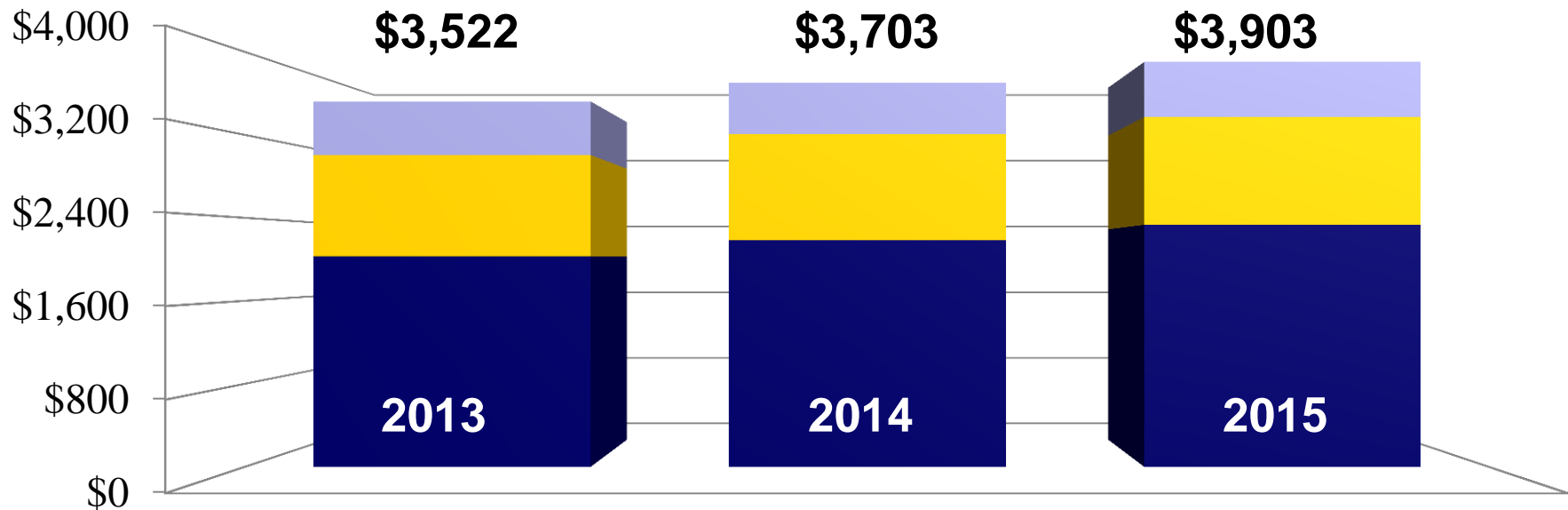


Funds operations of 133 cemeteries and 128,100 interments in 2015



Information Technology Budget Request

(\$ in millions)

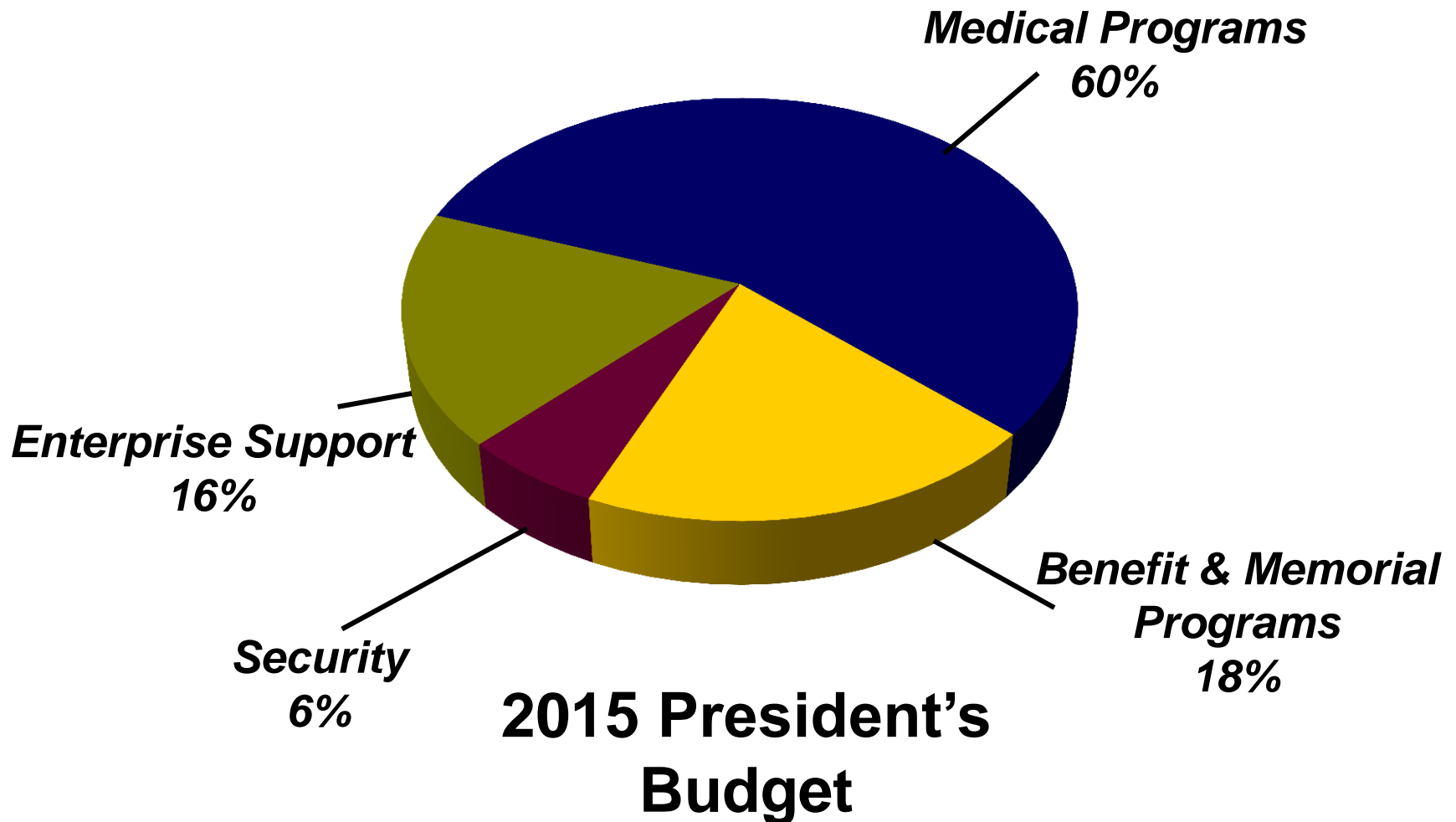


	2013	2014	2015
New Development	\$517	\$495	\$531
Pay/Administration	\$974	\$1,026	\$1,039
Operations & Maintenance	\$2,031	\$2,182	\$2,333

Consolidated IT Budget funds all VA IT needs – including critical funds for a modernized Electronic Health Record and VBMS



Information Technology Budget Request

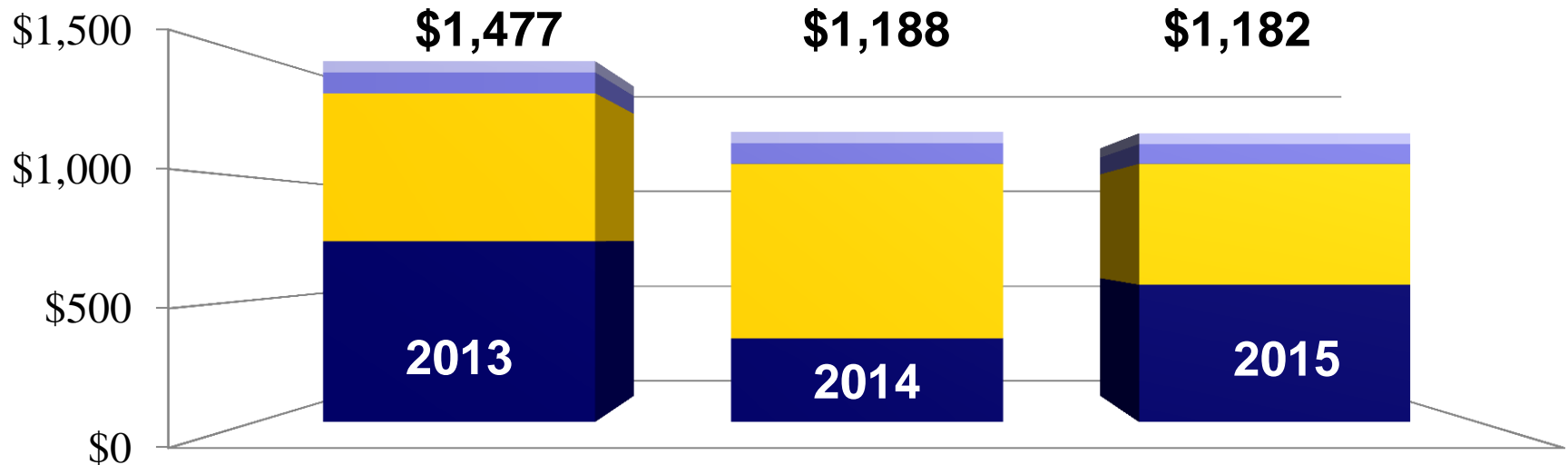


84% of VA's IT resources support direct delivery of Veterans' benefits, services, and cyber security



Capital Programs Appropriations Request

(\$ in millions)



	2013	2014	2015
Cemetery Grants	\$46	\$46	\$45
Extended Care Grants	\$85	\$85	\$80
Minor Construction	\$607	\$715	\$495
Major Construction	\$739	\$342	\$562

Increased Major Construction funding in 2015



Major Construction Projects 2015 Budget Request

(\$ in millions)

Location	Description	Estimate
West Los Angeles, CA	Seismic Corrections to 12 Buildings	\$35.0
Long Beach, CA	Seismic Corrections – Mental Health & Community Living Center Replacement	\$101.9
Canandaigua, NY	Construction & Renovation – Community Living Center, Domiciliary & Outpatient Facilities	\$122.4
San Diego, CA	Spinal Cord Injury & Seismic Correction	\$187.5
Major Construction Support	Advance Planning Resident Engineer support, land acquisition costs, hazardous waste, etc.	\$115.0
Total Request		\$561.8



Opportunity, Growth, & Security Initiative

(\$ in millions)

The President's Budget includes an additional \$400 million for VA in the Opportunity, Growth and Security Initiative to fund additional critical infrastructure projects

Funding Category	Description	Estimate
Major	San Francisco, CA - Seismic Retrofit, Replace Buildings 1,6,8 & 12	\$158.0
Minor		\$100.0
Non-Recurring Maintenance		\$142.0
Total Request		\$400.0



Stewardship of Resources

- **Continuous effort to improve management systems as well as developing initiatives to maximize efficiency, effectiveness and accountability have resulted in:**
 - Stopping \$199 million over the last five years in benefit payments to deceased Veterans through the First Notice of Death (FNOD) Office by providing timely death notice updates
 - Using Video Teleconferencing to conduct more than 50% of Board of Veterans' Appeals hearings, reducing wait times for Veterans and travel costs
 - Reducing VA's unutilized property inventory by 33% over four years, resulting in \$25 million in annual cost avoidance and rolled out a space management policy in 2013 for future space allocations
 - Maintaining unqualified (clean) audit opinion on VA's consolidated financial statements for the 15th consecutive year and the VA Franchise Fund financial statements for the 16th consecutive year
 - Reducing reported improper payments from \$2.2 to \$1.1 billion



Conclusion

- The President's budget request for 2015 for Veterans Affairs is a very strong request in a tight fiscal environment
 - 2015 is the sixth year in a row that the President has requested a significant funding increase for VA to meet the Nation's obligations to our Veterans
- Budget request reflects a 35.2% increase in discretionary budget since 2009 with a 3.0% increase over 2014
- VA's 2015 budget provides the necessary resources to allow us to serve our Veterans who selflessly served our Nation